



राजपत्र, हिमाचल प्रदेश (असाधारण)

हिमाचल प्रदेश शासन द्वारा प्रकाशित

शिमला, शनिवार, 24 जनवरी, 1959/4 माघ, 1880

HIMACHAL PRADESH ADMINISTRATION

INDUSTRIES DEPARTMENT

NOTIFICATION

Simla-4, the 23rd January, 1959/3rd Magha, 1880

No. I&S. 15-(Loan)-250/58.—In exercise of the powers vested in him under section 46 of the Punjab State Aid to Industries Act, 1935, as modified and extended to the Union Territory of Himachal Pradesh *vide* Government of India, Ministry of Home Affairs, Notification No. F. 8/4/56-Judl-II, dated the 4th April, 1958, the Lieutenant Governor, Himachal Pradesh, is pleased to make the following Rules under the aforesaid Act.

The rules have been finalised after giving due consideration to the objections or amendments received in response to this Department Notification No. I&S. 15 (Loan)-250/58, dated the 13th December, 1958/22nd Agratayana, 1880.

RULES

1. (1) These Rules may be called the Himachal Pradesh State Aid to Industries Rules, 1958.

(2) In these Rules words and expressions have the same meaning as in the State Aid to Industries Act, 1935.

(3) The "Act" means the Punjab State Aid to Industries Act, 1935, as modified and applied to the Union Territory of Himachal Pradesh, *vide* Government of India, Ministry of Home Affairs Notification No. F. 8/4/56-Judl-II, dated the 4th April, 1958.

(4) "Board" means the Board of Industries referred to in Section 3 of the Act.

(5) "Section" means a section of the Act.

2. Travelling Allowance.—For attending meetings of the Board, the members of the Board or of its Sub-Committees, including co-opted members, who are not Government servants and who do not ordinarily reside in Simla, shall be paid travelling allowance and halting allowance at the rates fixed for Government servants of Grade II. The members of the Himachal Pradesh Territorial Council, will draw daily allowance at the rate admissible to them when they attend the meetings of the Territorial Council. Government servants will draw travelling and daily allowances, admissible to officers of their grade under the rules in force.

3. Application for State Aid.—(A)—*Loans.*—(1) An application for a loan by any person, firm or company, shall be submitted to the Director of Industries in the prescribed Form A or B, as the case may be, and shall contain a declaration, signed by the applicant, and in the case of a firm or a company, by the Chief Executive Officer, to the effect that the statements made therein are true to the best of his knowledge and belief. The application shall also contain information on the following points:—

- (a) nature of the industrial concern for which aid is sought;
- (b) nature of the staff employed or to be employed for administrative, technical and executive purposes, and qualifications of the members of such staff;
- (c) prospects of, and facilities available for, the development of the industry, such as sources of raw materials, transport conveniences and marketing of the products and as far as possible, an estimate of the anticipated profits;
- (d) nature of the processes to be employed;
- (e) total cost, estimated as accurately as possible, of starting the industrial concern;
- (f) reasons for applying for financial assistance from Government;
- (g) nature and amount of the loan applied for;
- (h) security for the loan: on this point information shall be furnished regarding the financial resources of the applicant, assets and revenues which will be available as security for the loan and particulars of any existing charges thereon; and debts; and as to the additional assets which may be created by the utilisation of the loan applied for. These particulars shall be supplemented by the recent Balance Sheets and Profit and Loss Accounts, where such exist, certified by an auditor entitled to audit the accounts of companies under the Companies Act, 1956. Information should also be furnished as to the collateral security offered, in the event of the above being found insufficient;
- (i) the period, if any, over which the payment of loan should be spread.

(2) If the applicant is a joint stock company, the application should be accompanied by a copy of the Prospectus; Memorandum and Articles of Association together with information as to the amount of capital actually subscribed and paid up: the number of shares held by each of the Director, their salaries and fees and other perquisites, and a complete list containing the names and descriptions of the Directors.

(3) In the case of cottage industries of small concerns not using steam or other power, only such information should be given as, in the opinion of the Director of Industries will be sufficient to permit of an estimate being made of the feasibility of the proposal. e.g., in the case of a small hand weaving establishment, the number of operatives to be employed, sources of raw materials,

number of handlooms, cost price of materials, selling prices of the finished articles, method of marketing the products, etc., etc.

(4) No State Aid shall be given to any joint stock company, unless at least one-half of the members of the Board of Directors, or two of its Directors, whichever is greater, are residents of Himachal Pradesh.

(B) *Hire-Purchase*.—An application for the supply of machinery on the hire-purchase system shall be submitted to the Director of Industries, Himachal Pradesh, in Form C or D. At the same time the applicant shall furnish the information as prescribed for application for Loans under sub-clauses (1) (a) to (i) of clause (A) above of this rule.

(C) *Other forms of State Aid*.—Applications for State Aid in forms other than those detailed in sub-clause (A) and (B) above shall be in the forms as may be prescribed by the Director of Industries, Himachal Pradesh, generally or in individual cases from time to time.

4. *Delegation of powers*.—A loan may be granted to any person, firm or company by the Director of Industries, Himachal Pradesh, and the District Industries Officer if the amount of loan together with the amount of any previous loan or loans granted to the said person, firm or company, does not exceed Rs. 5,000 and Rs. 2,000, respectively. A list of individuals or firms or companies to whom loans have been granted by the Director of Industries, Himachal Pradesh, and the District Industries Officer shall be placed by the Director of Industries, Himachal Pradesh, before the Board of Industries at its next meeting.

5. *Form of deed*.—The form of deed to be executed for a loan shall be in Form E, but in a case where a surety has been offered, it shall be in Form F. The form of deed for a loan against the personal security of the applicant/applicants and his/their sureties shall be in Form J. The form of deed for a loan to be granted to Industrial Co-operative Societies upto Rs. 5,000 shall be in Form K.

6. *Nature and amount of security*.—The security for the repayment of the loan or the price of machinery supplied on the hire-purchase system and all interest due thereon and for the due fulfilment of the conditions of any loan or for the unpaid balance of the cost of the machinery granted under the hire-purchase system shall be as follows:—

- (a) a mortgage on all the fixed assets of the industrial concern, including book debts, the premises and machinery whether existing or to be purchased with the loan or any portion thereof, provided that the estimated value of such assets is in the opinion of the Director of Industries not less than 1-1/2 times the amount of the loan or the unpaid balances of the price of the machinery, together with the personal security of the applicant; or
- (b) a mortgage on immovable property of the applicant or of his surety or sureties, if any, of a value equal, in the opinion of the Director of Industries, to not less than 1-1/2 times the amount of the loan or the unpaid balance of the price of the machinery, together with the personal security of the applicant; or
- (c) a charge on any security or securities on which a trustee would be competent to invest trust money under section 20 of the Indian Trusts Act, 1882, equal to not less than 2 times the amount of the loan, together with the personal security of the applicant; or
- (d) all or any two of the securities mentioned in (a), (b) and (c) above, provided that the gross value of such securities is, in the opinion of the Director of Industries, equal to not less than 1-1/2 times the amount of the loan, together with the personal security of the applicant and his surety or sureties, if any;

- (e) in case of loans not exceeding Rs. 5,000 except loans for factories employing more than 50 workers with power or more than 100 workers without power and with a capital investment exceeding Rs. 5 lakhs, personal security of the applicant/applicants and his/their sureties rendered to the satisfaction of the Director of Industries, Himachal Pradesh;
- (f) in the case of an application for loan for an amount not exceeding Rs. 5,000 by a Co-operative Society established *inter alia* with the object of facilitating the operation connected with an industry and duly registered under the Himachal Pradesh Co-operative Societies Act, XIII of 1956, no security shall be required; provided that the liability of the member of the Society in accordance with its bye-laws or the rules made under the said Act, is not less than twice the amount of loan applied for.

7. **Valuation of security and assets.**—The value of the assets of an applicant shall, so far as they do not consist of money, be taken to be—

- (a) in the case of fixed assets acquired by purchase for cash such as land buildings, leasehold, railway sidings, plant and machinery, development of property trade marks and designs, etc. the price at which these assets were acquired, subject to proper deductions for depreciation, and such deductions shall be calculated in the case of buildings, machinery and at the rates fixed as allowable depreciation under sub-section (2) of section 10 of the Indian Income-Tax Act, 1922; and any appreciable increase or decrease in the market value of site, machinery and buildings may also be taken into consideration;
- (b) in the case of fixed assets acquired by purchase otherwise than for cash, the value of the consideration at the time the assets were acquired subject to such appreciation or depreciation as may be allowed by the Board;
- (c) in the case of stores, spare gear or tools not taken into use, the cost price or price of replacement, whichever is less;
- (d) in the case of stores, spare gear and tools which have been used but are still in stock, the cost price less a proper deduction for depreciation;
- (e) in the case of stock in trade consisting of manufactured stock, the actual market selling price at the time of valuation less a reasonable margin or where it consists of purchased stock, the cost price or price of replacement (whichever is less), less such reasonable margin as may be determined by the Board;
- (f) in the case of book debits, the nominal amount of those debits, provided that debits which are in the opinion of the Board doubtful debts and all debits which remain due and recoverable for a period of over two years shall not be taken into consideration;
- (g) in the case of investments, the market value of those investments on the day on which the valuation is made;
- (h) in the case of any other assets which have not been acquired by purchase the value of the assets at time when they became asset of the business subject to proper deductions for depreciation, provided that no value shall be placed upon the goodwill, patents or secret processes of any business.

8. (1) The value of the assets, so far as they consist of money, shall be all cash with bankers or on hand and the value of cash in other countries shall be taken at the rate or exchange ruling on the day on which the valuation is made.

(2) The value of the additional assets that will be created by the application of the loan granted by Government shall be money expended in the acquisition of immovable property and machinery of a permanent nature and on the liquidation encumbrances of the capital value of the industry.

(3) The assets having been valued as above, all debts and liabilities of the business shall be deducted, other than accumulated profits and reserves and the balance shall be the value of the business for the purposes of the Act.

9. (1) The valuation of properties hypothecated for loans of the value of Rs. 5,000 and under, shall ordinarily be done by an officer of the Industries Department free of charge.

(2) The valuation of property offered as security for loans exceeding Rs. 5,000 shall be done, free of charge, by an Evaluation Committee, consisting of the following, subject to the condition that all applications shall be accompanied by full particulars of property as required by the questionnaire appended to this rule as Schedule 'A':—

- | | |
|--|---|
| (i) For building in Urban Area. | District Industries Officer of the District concerned and S.D.O., P.W.D., B & R Branch of the area concerned. |
| (ii) For land in Urban Areas. | District Industries Officer and Tehsildars. |
| (iii) For land and buildings in Rural Areas. | District Industries Officer of the District concerned and Tehsildars of the Tehsil concerned. |
| (iv) For machinery either in Urban or Rural Areas. | District Industries Officer of the District concerned and an officer not below the rank of S.D.O., of the Electricity Branch, P.W.D., Himachal Pradesh. In the event of an S.D.O. not being available in the area concerned, the committee, shall consist of the District Industries Officer and a Technical Officer of the Department of Industries, Himachal Pradesh. |

The convener of all 4 committees shall be the District Industries Officer concerned.

SCHEDULE 'A'

Questionnaire replies to which should be submitted by an applicant demanding a loan under the Punjab State Aid to Industries Act, 1935, as modified and applied to the Union Territory of Himachal Pradesh, for the purpose of valuation of properties offered as security.

1. Owner's name with caste and district giving particulars of joint owners, if any.
2. Full permanent address.
3. Amount of loan applied for and purpose for which required.
4. Is there any encumbrance on the Property and has this been accepted by the Director of Industries.
5. (a) Nature of building and the number of storeys with height of each.
(b) Date of construction of each building.
6. Nature of walls with thickness and types of construction.
7. Particulars of floors.
8. Particulars of roof.

9. Plinth area of each storey; cubic contents of each storey.
10. Area of land and its market value. Has market value been verified by Revenue Officer?
11. Total cost of land and building separately as incurred by owner.
12. Rent of building, if hired.
13. Municipal charges, if any, on the building with assessment value.
14. Cost of kind of water supply, giving particulars of pumps, number of taps, etc.
15. Description and number of sanitary appliances.
16. Cost and detail of electric installation (number of fan, light and heating points and particulars of motors).
17. Particulars of any building nearby which has been sold recently, giving area and value with name of owner and date of sale.
18. Particulars of any land which has been sold recently in the vicinity, its area and value and date of sale.
19. What defects, if any, exist to owner's knowledge?
20. The following plans should accompany the application:—
 - (a) site plan;
 - (b) plan of each building, and each storey of each building;
 - (c) cross section and elevation of each building.

(3) The Director of Industries, Himachal Pradesh, may in cases where it may be deemed necessary, make confidential enquiries from any bank regarding the financial standing, or the record in the bank of any person, firm or company requiring aid from Government under the Act. Such reports received from the bank shall be treated as confidential by the Director of Industries, or the Board of Industries as the case may be.

10. Repayment.—The interest payable on the loans advanced under the Act shall be at such rate, as may be fixed by the State Government in this behalf from time to time.

11. The interest shall be payable yearly, provided that for sufficient reasons, the yearly payment of interest in any case may be postponed at the discretion of the Director of Industries for a period of one year at a time. The interest so postponed shall be considered added to the amount of the original loan and shall bear the same interest as is charged on the principal amount and shall be recoverable in the same manner as if it had been a part of the original loan.

12. The period of complete repayment of the loan with interest due thereon, shall ordinarily be 7 years which in the case of loan below Rs. 5,000 may on sufficient grounds be extended by the Director of Industries on the written request of the borrowers upto a maximum period of 10 years. In the case of loans of Rs. 5,000 or over, however, extension beyond 7 years shall not be allowed except with the previous permission of State Government. The recovery shall ordinarily start on the expiry of two years from the date of the payment of the loan in the following instalments:—

to be paid at the end of II year	1/12th
to be paid at the end of III year	1/12th
to be paid at the end of IV year	1/6th
to be paid at the end of V year	1/6th
to be paid at the end of VI year	1/4th
to be paid at the end of VII year	1/4th

13. In cases where the borrower is unable to pay a particular instalment or instalments at the proper time the Director of Industries may for sufficient recorded reasons, allow an extension in the period of repayment, subject to the condition that the maximum period for the repayment of the entire loan does not exceed the maximum period of ten years allowed by rule 12, above. Such instalments as are due but the recovery of which has been postponed under this rule, shall be considered as still forming part of the original loan and shall bear interest and be recoverable in the same manner as the original loan.

14. The borrower may repay the whole or any portion of the loan before the due date.

15. **Notice and Declaration.**—(1) Every notice issued under sub-section (1) of section 23 and every order passed under section 27 of the Act may be served on the person to whom it is addressed by sending it to him at the address entered in the deed, by registered post.

(2) If any such notice or order is to be served on a firm, it shall be deemed to have been served on such firm, if it is delivered, or posted to, or left at the usual place of abode or business of any member of such firm in the manner prescribed in clause (1) of this rule.

(3) If any such notice or order is to be served on a company it shall be deemed to have been served, if it is left at; or sent by registered post to the Registered Office of the Company.

(4) Every notice issued under section 23 of the Act shall be in Form G attached to these Rules and shall be under the signatures of the Director of Industries, Himachal Pradesh or by an officer subordinate to the Director of Industries authorised by the Director to sign and issue such notice.

16. Every declaration issued under sub-section (1) of section 24 of this Act shall be in Form H attached to these Rules and shall be issued by the Director of Industries, Himachal Pradesh or by an officer subordinate to the Director of Industries, authorised by the Director to sign and issue such declaration.

17. The period of representation against an order issued under section 29 of the Act for the refund of the loan shall be one month from the date of the issue of the order.

18. **Supply of machinery on hire-purchase system.**—No machinery shall be supplied on the hire-purchase system unless the applicant therefor deposits with the Director of Industries, Himachal Pradesh, at least 10 per cent of the cost of the said machinery.

19. All machinery supplied on the hire-purchase system shall, until the hiring is terminated in accordance with the Act, bear a metal plate with the following inscription:—

NOTICE

This machinery is the property of the Government of India, and any person who wilfully removes or defaces this plate is liable to a fine not exceeding Rs. 500.

20. The authority which sanctions the supply of machinery on the hire-purchase system shall ordinarily require that the Government shall be protected against the total or partial loss of such machinery from fire or any other cause by means of insurance, a mortgage of immovable property of the applicant or his surety or sureties, if any, the personal guarantee of one or more persons or in any other manner as may be deemed suitable in each case. The applicant shall further be required to execute a deed embodying such conditions as may be prescribed for the payment of the balance of the price after deducting the

deposit made under section 36 and the interest or other charges to be incurred thereon. The deed shall contain such other conditions as may be imposed by the Director of Industries in any particular case.

21. If any machinery supplied on the hire-purchase system is seized and taken away under section 39 of the Act and the hirer exercises his option under section 40 of purchasing the same he shall pay, in addition to the unpaid balance of the cost thereon, and the cost of any expenses incidental to such seizure and removal, such interest on the remaining unpaid instalments as would have fallen due on the payment of the next instalment of rent.

22. If the hirer wishes at any time to terminate the hiring of any machinery supplied to him on the hire-purchase system, he shall give notice of his intention to the Director of Industries, Himachal Pradesh by registered post. The Director within one month of the receipt of this notice shall inspect the machinery or cause it to be inspected in such manner as he may think proper and shall issue orders for the removal of the said machinery.

23. All notices issued under section 39 shall be in Form I.

24. All repayments of loans, interest or other sums due under the Act shall be made at a Government treasury, to the credit of Government in such manner as the Director of Industries may from time to time notify to the parties concerned. The treasury receipt shall be forwarded to the Director of Industries for record in his office in token of the repayment.

25. **Distribution of profits.**—No recipient of a loan or State Aid under this Act, shall pay any dividend or distribute or take out any profits in excess of such percentage rate upon the amount of the capital of the industries concern as may be determined by the Director of Industries, Himachal Pradesh, in each case, so long as any part of the loan or State Aid remains unpaid or the guarantee remains in force. The balance of the profits after setting aside proper amount for depreciation or obsolescence of plant and buildings and for the payment of interest on debentures of loans shall be carried to a reserve fund to be utilised in such manner as the State Government may approve.

26. **Inspections.**—(1) The Director of Industries or such officer or officers as may be authorised by him to inspect the premises, books, machinery, stock, stores and other belongings and things connected with any industrial undertaking in respect of which a loan or a machinery under the hire-purchase system has been granted under the Act, may for the purposes of such inspections enter such premises at any hour between sunrise and sunset, provided that when any building used as a human dwelling is entered under this rule, due regard shall be paid to the social and religious sentiments of the occupier and that before any apartment in the actual occupancy of any female, who according to custom does not appear in the public is entered under this rule, notice shall be given to her that she is at liberty to withdraw, and every reasonable facility shall be afforded to her for so doing.

(2) Every such officer may require the recipient of a loan or a machinery under the hire-purchase system, to hand over to him for examination all books kept in connection with the industrial undertaking in respect of which the loans or the machinery was granted.

(3) The accounts of any industrial business or enterprise in respect of which a loan under this Act has been granted shall, unless specially exempted by the Director of Industries, be examined and audited at least once in every year by a registered auditor or by such officer as the Director of Industries may appoint, and it shall be the duty of such auditor or officer, as the case may be, to outline the method on which the books of the particular industrial business or enterprise shall be kept.

(4) The Director of Industries, Himachal Pradesh shall call for a return once in a year certified by an auditor or by such other officer as may be designated in this behalf, and the return shall show—

- (a) a full and complete statement of the assets and liabilities;
- (b) a valuation of the assets as prescribed by rule 8 above; and
- (c) a working or manufacturing account showing—
 - (i) the outturn of the industrial business or enterprise with the cost per unit of such outturn;
 - (ii) the profit or loss on the marketing of the products produced; and
 - (iii) details of expenditure.

27. Appointment of Directors by Government.—In cases where the local Government has *prima facie* reasons to believe that there is justification for the appointment of its own directors or for the exercise of control over the conduct of industry to which State Aid has been given it shall give one month's previous notice to the borrower or the recipient of the State Aid to show cause against the appointment of Government directors or the exercise of State Government control over the affairs of the industry and if such borrower or recipient of the State Aid is unable to give a reply to the satisfaction of State Government, it may appoint such person or officials as it may deem necessary, as directors to exercise control over the affairs of the industry to safeguard the interests of State Government.

28. If the extent of the aid applied for exceeds rupees one lac* and in any other case in which State Government consider it necessary, the Director of Industries shall publish a notice in the manner prescribed in the rule following, calling upon any person who objects to the grant of the aid applied for to state his objections at a time or place to be specified and shall hear such objection and make such inquiry as may be necessary.

29. The notice under the preceding rule shall be published by the Director of Industries in at least three consecutive issues of at least two daily newspapers published in the Punjab and once in the Himachal Pradesh *Raj Patra*. The notice shall specify the name and address of the applicant for State Aid and the nature of the business or enterprise in respect of which the application is made. It shall state that anyone desiring to make any objection to the State Aid may do so by presenting a statement of his objections in writing at the office of the Director of Industries within thirty days of the publication of the notice. The statement shall furnish details regarding the name, address and calling of the objector and his grounds of objection. The Director shall hear the objections, if any, at such time and place as he may notify and deal with it as he may think fit.

30. In any case in which State Aid is granted under this Act, amounting to two lakhs of rupees or upwards, the Himachal Pradesh Administration shall, and in any other case may, by the appointment of a Government director or directors or otherwise, take power to ensure such control over the conduct of the business or enterprise as shall suffice in their opinion to safeguard their interests.

31. The grant of subsidy or forms of State Aid, other than the grant of loans and the machinery on hire-purchase, shall be governed by such rules or directions as may be issued generally or in individual cases, by the Himachal Pradesh Administration.

FORM 'A'

Form of Application for a Loan by an individual, or firm not being a Company within the meaning of the Companies Act, 1956

1. Name, parentage, caste and residence, or, in the case of a firm the style and principal place of business of the applicant ..
2. Amount of loan required ..
3. Object for which the loan is required. (If it is proposed to supplement the loan by private capital, the estimated cost of the whole undertaking to be financed partly by the loan, should be stated. It should be stated clearly whether the loan is required for working capital, purchase of machinery or erection of building) ..
4. (i) Number of instalments by which it is proposed to repay the loan ..
(ii) Date on which it is proposed that the first instalment should be due ..
(iii) Amount of each instalment ..
5. Nature of security offered* ..
6. Name, parentage, caste and residence of sureties (if any) ..
7. Nature of security offered by sureties—

*I declare that the statements made and the particulars given above are to the best of my knowledge and belief true and that to the best of my knowledge and belief there are no encumbrances other than those mentioned above on the land or other property offered as security for the loan applied for.

Signature of surety.

Signature of applicant.

Date.....

Date.....

N.B.—(1) *If the security offered is land or other immovable property, sufficient particulars should be given to enable the land or other property to be easily identified; the nature and extent of any encumbrances on the land or other property should also be stated.

(2) The application for the loan shall also contain information on the points as required by rule 3 of the Rules issued under section 46 of the Punjab State Aid to Industries Act.

(3) If the security consists of immovable property, the application should be accompanied by a complete plan. In case of machinery sufficient particulars of its name, maker, etc., should be given for purpose of identification.

(4) In case of land reference should be made to any finally published record of right.

FORM 'B'

Form of Application for Loan by a Company/Co-operative Society

1. Name of Company/Co-operative Society and address of registered office ..
2. Name and address of Director and of Manager or Managing Agent, Secretary and the Chief Executive Officer of the Company/Co-operative Society ..
3. Present condition of the business of the company:—
(i) Concerns ..
(ii) Buildings ..

- (iii) Machinery ..
4. Amount of loan required ..
5. Object for which the loan is required. If it is proposed to supplement the loan by other capital, the estimated cost of the whole undertaking to be financed partly by the loan should be stated. It should be stated whether the loan is required for working capital, purchase of machinery, or erection of buildings ..
6. (i) Number of instalments by which it is proposed to repay the loan ..
- (ii) Date on which it is proposed that the first instalment should be due ..
- (iii) Amount of each instalment ..
7. Nature of security offered ..

.....
Signature of officer,

Date..... empowered to sign on behalf of the Company/Co-operative Society.

Note.—1. If the security offered is land or other immovable property, sufficient particulars should be given to enable the land or other property to be easily identified; the nature and extent of any encumbrances on the land or property should also be stated.

2. If the security consists of immovable property, the application should be accompanied by a complete plan. In case of machinery sufficient particulars of its name, maker, etc., should be given for purposes of identification.

3. In case of land reference should be made to any finally published record of right.

4. The application for the loan shall also contain information on the points mentioned in the accompanying form, as required by rule 3 of the Rules issued under section 46 of the Punjab State Aid to Industries Act, 1935, as modified and applied to Himachal Pradesh.

FORM 'C'

Form of Application for the supply of Machinery on the hire-purchase system by an individual or Firm not being a Company within the meaning of Companies Act, 1956

1. Name, parentage, caste and residence or, in the case of a firm, style and principal of business of applicant ..
2. Nature and description of machinery required and its approximate value ..
3. Object for which the machinery is required ..
4. Place where the applicant proposes to set up the machinery ..
5. The amount which the applicant is prepared to deposit (being 20 per cent of the approximate value of the machinery required) ..
6. (i) Number of instalments by which it is proposed to repay the loan ..
- (ii) Date on which it is proposed that the first instalment should be made ..
- (iii) Amount of each instalment ..
7. Nature of security offered ..
8. Name, parentage, caste and residence of sureties (if any) ..

9. Nature of security offered by sureties, if any ..

I declare that the statements made and the particulars given above are to the best of my knowledge and belief true, and that to the best of my knowledge and belief there are no encumbrances other than those mentioned above on the land or other property offered as security for the loan applied for.

Signature of surety.

Signature of applicant.

Date.....

Date.....

N.B.—(1) If the security offered is land or other immovable property, sufficient particulars should be given to enable the land or other property to be easily identified; the nature and extent of any encumbrances on the land or property should also be stated.

(2) If the security consists of immovable property the application should be accompanied by a complete plan. In case of machinery, sufficient particulars of its name, maker, etc., should be given for purposes of identification.

(3) In case of land reference should be made to any finally published record of right.

(4) The application shall also contain information on the points mentioned in rule 3 of the Rules issued under section 46 of the Punjab State Aid to Industries Act, 1935, as modified and applied to Himachal Pradesh.

FORM 'D'

Form of Application for the supply of Machinery of the Hire-Purchase system by a Company

1. Name of the Company and address of registered office ..
2. Name and addresses of Directors and of Manager or Managing Agents, Secretary and the Chief Executive Officer of the Company ..
3. Nature and description of machinery required and its approximate value ..
4. Object for which the machinery is required ..
5. Place where the Company proposes to set up the machinery ..
6. The amount which the Company is prepared to deposit (being 20 per cent of the approximate value of the machinery required) ..
7. (i) Number of instalments by which it is proposed to repay the loan ..
- (ii) Date on which it is proposed that the first instalment should be due ..
- (iii) Amount of each instalment ..

.....
Signature of the Officer,

empowered to sign on behalf of the Company.

N.B.—(1) If the security offered is land or other immovable property sufficient particulars should be given to enable the land or other property to be easily identified, the nature and extent of any encumbrances on the land or property should also be stated.

(2) If the security consists of immovable property, the application should be accompanied by a complete plan. In case of machinery, sufficient particulars of its name, maker, etc., should be given for purpose of identification.

(3) In case of land, reference should be made to any finally published record of right.

(4) The application shall also contain information on the points mentioned in rule 3 of the Rules issued under section 46 of the Punjab State Aid to Industries Act, 1935, as modified and applied to Himachal Pradesh.

FORM 'E'

This Mortgage Deed made this..... day of.....195..
Between:

(A) The..... Limited, a company
incorporated in India and registered under the Companies Act, 1956, with
registered office at.....

(B)
a society registered under Act XXI of 1860 with principal place of business
at

(C) (1)....., son of....., caste.....

(2)....., son of....., caste.....

(3)....., son of....., caste.....

residing at..... and
himself constituting the sole or only proprietor of the
.....being all the partners.

.....
and carrying on business at.....
in the name and style of.....

.....
(hereinafter himself/themselves its, his/their legal representative, assignees
jointly and severally referred to as THE MORTGAGOR) of the first part:—

- And secondly, the President of India through the Director of Industries
(hereinafter referred to as Himachal Pradesh Administration) of the second
part:—

WHEREAS THE Mortgagor has assured Himachal Pradesh Administration
that he is sole owner of.....

.....
situate in..... at
District..... (the said property being
detailed or described more particularly in Schedule 'I' to this deed) and that
the same is not mortgaged or charged or otherwise encumbered in any way
whatsoever:—

AND WHEREAS the Mortgagor has applied under section 19 of the Punjab
State Aid to Industries Act, 1935, as modified and applied to Himachal Pradesh
to the Director of Industries, Himachal Pradesh for a loan of Rs.....
for the purpose of.....
and to secure the same by mortgage of properties referred to in the said
Schedule 'I'.

AND the Director of Industries, Himachal Pradesh (with the previous sanc-
tion of.....) has accordingly agreed to grant the
said loan to the Mortgagor subject to the conditions hereinafter appearing.

NOW THIS INDENTURE WITNESSETH that:

1. In pursuance of the said agreement and for the purpose of in part
securing the said sum of Rs..... (the receipt
whereof the mortgagor hereby acknowledges), the mortgagor hereby
covenants with Himachal Pradesh Administration to pay to Himachal Pradesh
Administration before the.....day of.....
19.... the said sum of Rs..... with interest
thereon at the rate of.....per cent per annum and for so

long as any part thereof shall remain owing, to pay interest at the rate aforesaid on the moneys for the time being so remaining owing provided nevertheless that;

- (i) if the mortgagor shall pay the said sum of Rs..... by the following instalments:—
- | | |
|------------------------------|-----------------|
| first instalment of Rs..... | on the..... day |
| of..... | 19 |
| second instalment of Rs..... | on the..... day |
| of..... | 19 |
| third instalment of Rs..... | on the..... day |
| of..... | 19 |
| fourth instalment of Rs..... | on the..... day |
| of..... | 19 |
| fifth instalment of Rs..... | on the..... day |
| of..... | 19 |
| sixth instalment of Rs..... | on the..... day |
| of..... | 19 |

until the whole sum due shall be paid and shall with each such instalment pay interest at the rate aforesaid on the amounts remaining due immediately before such payment, then subject to the terms and conditions hereinafter contained, Himachal Pradesh Administration will accept payment of the said sum of Rs..... by such instalment and will not take any steps to obtain payment of the said sum of Rs..... by auction, sale, possession, realization of security hereby conveyed or otherwise;

- (ii) it shall be lawful for the Director of Industries, Himachal Pradesh at his sole discretion and at the request of the Mortgagor to extend this date by a period not exceeding five years;
- (iii) it shall be lawful for the Mortgagor at any time to repay the whole or any portion of the said loan by instalments exceeding the instalments referred to above or prior to the said due date or prior to the end of the extended period (if granted);
- (iv) the said loan is made under and shall remain in any case subject to the provisions of the Punjab State Aid to Industries Act, 1935, as modified and applied to Himachal Pradesh and any rules made or to be made thereunder;
- (v) the mortgagor shall not except with the approval of the said Director of Industries previously obtained withdraw from the Industrial concern for the purpose of which the said loan is hereby granted, any profits (or declare or distribute dividends) in excess of such percentage rate upon the amount of the capital of the industrial concern as may be determined by the Director of Industries, Himachal Pradesh, in each case, so long as any part of the loan or State Aid remains unpaid or this deed remains in force;
- (vi) if the Mortgagor shall make default in compliance with any of the terms or conditions of this deed or in the payment of the loan hereby granted and the moneys hereby secured or any part thereof together with any interest that may be due thereon on the date or dates on which such moneys and such interest shall be payable, the said Director of Industries may himself issue a notice under section 23 of the said Act and the moneys duly specified therein shall become immediately payable as if a money decree therefor had been passed by a Civil Court in the exercise of its ordinary original jurisdiction.

2. AND in further pursuance of the said agreement and for the considerations aforesaid the Mortgagor as beneficial owner doth hereby grant, convey and

assign unto Himachal Pradesh Administration:—

(a) all the properties mentioned in the said Schedule 'I' and delineated in map or plan hereto annexed;

AND

(b) all the assets, present and to be hereafter acquired by the Mortgagor whether the said assets present or further be in his own name or that of the.....

..... including book debts, stocks and stores, the premises and machinery whether existing or to be purchased with the aid of the loan hereby granted or with any portion thereof, and whether referred to in Schedule 'I' or not;

to have and to hold the same unto and to the use of Himachal Pradesh Administration, its successors and assigns for ever subject to the proviso for redemption hereinafter contained.

3. PROVIDED ALWAYS that when the hereinbefore mentioned covenants for payment shall have been satisfied and the principal sum together with all interest due thereon shall have been entirely paid Himachal Pradesh Administration as mortgagee shall at the request and cost of the Mortgagor reconvey the properties or remained thereof as he shall direct.

4. And in further pursuance of the agreement and covenants referred to above the Mortgagor hereby agrees to insure against fire up to the full amount of the loan the entire machinery and stock in the said..... and if H.P. Administration so desires all other property hereby mortgaged* and that the policy of insurance shall be taken out in the joint name of the Mortgagor and the Himachal Pradesh Administration and that is shall be deposited with the Director of Industries Himachal Pradesh. The Mortgagor shall pay all premiums, and at his own cost renew the policy every year during the currency of the loan, failing which Himachal Pradesh Administration may pay the same and such premiums shall form part of the loan secured with interest under this mortgage.

5. It is further agreed by the Mortgagor that, notwithstanding anything hereinbefore contained, H. P. Administration or the Director of Industries, Himachal Pradesh, may by the appointment of its own directors or otherwise exercise such control over the conduct of the industry to which State Aid has been given as shall suffice in their or his opinion to safeguard the interests of Himachal Pradesh Administration in such industrial concern and that the Mortgagor shall forthwith comply with all recommendations made by the Director of Industries or the Director so appointed.

6. It is further agreed that the stamp on this instrument shall be borne by the Mortgagor and the same shall be presented for registration by the Mortgagor and registered at his own cost.

7. It is further agreed that until the entire amount is repaid with interest, the Mortgagor will undertake free training of apprentices selected by the Director of Industries, not exceeding three in number at any one time, in the work carried on there, and that nonfulfilment of this clause shall be deemed a default in compliance with this deed.

SCHEDULE 'I' (above referred to)

1. (In the case of a firm):—

Signed by the above-named firm of*
through

partner of the said firm.

N.B.—The form of Execution by the mortgagor should be one in the appropriate form as follows:—

*Name or names of firm or partners thereof.

N.B.—The Director of Industries should be satisfied from a partnership deed or otherwise that the executant has full power as such to bind the firm and attention is called to section 58 (d) of the Indian Partnership Act, 1932; failing which a special Power-of-Attorney should be demanded from absent partners in favour of the person signing, which should be retained with Administration's copy of the mortgage.

In the presence of—

Witness (1)

Occupation

Address

Witness (2)

Occupation

Address

2. (In the case of a Society):—

The seal of the (the society hereinbefore referred to) was hereunto affixed by virtue of a resolution of the Governing Committee No. dated the day of 19 ..

In the presence of—

Member of the Governing Committee.

Member of the Governing Committee.

Member of the Governing Committee.

3. (In the case of a company):—

The seal of the Company, Limited, was affixed by virtue of the resolution of the Board, No. dated the day of 19 ..

In the presence of—

Director

Director

Secretary.

N.B.—In the case of either a society under Act XXI of 1860, or Himachal Pradesh Co-operative Societies Act or a company incorporated under the Companies Act the Director of Industries should require a copy of the resolution above referred to certify correct (either by one of the members of the Governing Committee of the Society or by a Director or Secretary of the Company, as the case may be) authorising the particular executant or executants to sign or to affix the seal. It is, however, not necessary for the persons mentioned above always to execute the mortgage itself, and it is sometimes not convenient for them to do so in person as it involves all the officers in question appearing before the Sub-Registrar and bringing with them the seal of the Society or Company. If they so desire they may execute a special Power-of-Attorney authorising any respectable person—preferably one of their own—body to do all things necessary for the single transaction, viz; “the completion of the mortgage” which will be referred to in the preamble to such Power-of-Attorney. In that case the Power-of-Attorney will require to be executed on paper stamped at Rs. 2 and, though it need not be registered or authenticated by the Sub-Registrar. The Director of Industries may require the same to have been attested under section 85 of the Indian Evidence Act. Where the mortgage is executed by an Attorney it will (if for a term exceeding one year) be presented for registration by the Attorney.

Signed on behalf of the President of India, by
Director of Industries, Himachal Pradesh
Mortgagee.

In the presence of—

WITNESSES

(1.

(2.

FORM ‘F’

THIS MORTGAGE DEED made this day of

19....

BETWEEN:

(A) The..... Ltd; a company incorporated in India and registered under the Companies Act, 1956, with registered office at.....

(B) society registered under Act XXI of 1860 with principal place of business at.....

(C) (1)..... son of..... caste.....
(2)..... son of..... caste.....
(3)..... son of..... caste.....

residing at.....
and himself constituting the sole or only proprietor/being all the partners of the.....
and carrying on business at.....
in the name and style of.....
(hereinafter on behalf on himself/themselves, its, his/their heirs, legal representatives, assigns, jointly and severally referred to as **THE MORTGAGOR**) of the first part;

AND SECONDLY—

(1)..... son of..... caste.....
(2)..... son of..... caste.....
(3)..... son of..... caste.....

(hereinafter, on behalf of himself/themselves, his/their heirs, legal representatives and assigns, hereinafter referred to as **THE SURETY**) of the second part;

AND Thirdly, President of India through the Director of Industries (hereinafter referred to as Himachal Pradesh Administration) of the third part;

WHEREAS the Mortgagor has assured Himachal Pradesh Administration that he is sole owner of.....
situate in.....
at..... district.....

(the said property being detailed or described more particularly in Schedule 'I' to this deed) and that the same is not mortgaged or charged or otherwise encumbered in any way whatsoever;

AND WHEREAS the Surety has assured Himachal Pradesh Administration that he is the sole Proprietor/proprietors of the.....

situate at..... District.....
(the same being more particularly described in Schedule 'II' to this deed) **AND** that the said property likewise is not mortgaged or charged or otherwise encumbered in any way whatsoever.

AND WHEREAS the Mortgagor and the Surety have jointly and severally agreed whenever called upon by Himachal Pradesh Administration to do so, to ensure the whole or any part of all properties hereinafter referred to against fire throughout the period of the mortgage.

AND WHEREAS the mortgagor has applied under section 19 of the Punjab State Aid to Industries Act, 1935, as modified and applied to Himachal Pradesh to the Director of Industries, Himachal Pradesh, for a loan of Rs.....
for the purpose of..... and to secure the same by mortgage of properties referred to in the said Schedule 'I' **AND**.....
the Surety has/Sureties have agreed in accordance with Rule 7 of the Rules made under section 46 of the Punjab State Aid to Industries Act, 1935, as modified and applied to Himachal Pradesh to give as a security for the repayment of the said loan, the mortgage hereinafter contained upon the properties referred to in the said Schedule 'III'.

AND the Director of Industries, Himachal Pradesh (with the previous sanction of.....) has accordingly agreed to grant the said loan to the Mortgagor subject to the conditions hereinafter appearing.

NOW THIS INDENTURE WITNESSETH that;

I. In pursuance of the said agreement and for purpose of a part securing the said sum of Rs..... (the receipt whereof the Mortgagor hereby acknowledges) the MORTGAGOR hereby covenants with the Himachal Pradesh Administration to pay to Himachal Pradesh Administration before the..... day of..... 19..... the said sum of Rs..... with interest thereon at the rate of..... per cent per annum and for so long as any part thereof shall remain owing to pay interest at the rate aforesaid on the moneys for the time being so remaining owing provided nevertheless that;

(i) if the Mortgagor shall pay said sum of Rs..... by the following instalments:—

first instalment of Rs.....	on the..... day of.....	19.....
second instalment of Rs.....	on the..... day of.....	19.....
third instalment of Rs.....	on the..... day of.....	19.....
fourth instalment of Rs.....	on the..... day of.....	19.....
fifth instalment of Rs.....	on the..... day of.....	19.....
sixth instalment of Rs.....	on the..... day of.....	19.....

until the whole sum due, shall be paid and shall with each such instalment pay interest at the rate aforesaid on the amounts remaining due immediately before such payment, then subject to the terms and conditions hereinafter contained, Himachal Pradesh Administration will accept payment of the said sum of Rs..... by such instalments and will not take any steps to obtain payment of the said sum of Rs..... by auction, sale, possession, realisation of security hereby conveyed or otherwise;

(ii) it shall be lawful for the Director of Industries, Himachal Pradesh at his sole discretion and at the request of the Mortgagor to extend this date by a period not exceeding five years, without reference to the Surety;

(iii) that it shall be lawful for the Mortgagor at any time to repay the whole or any portion of the said loan exceeding the instalments referred to above or prior to the said due date or prior to the end of the extended period (if so granted);

(iv) the said loan is made under and shall remain in any case subject to the provisions of the Punjab State Aid to Industries Act, 1935, as modified and applied to Himachal Pradesh and any rules made or to be made thereunder;

(v) the Mortgagor shall not except with the approval of the said Director of Industries, previously obtained, withdraw from the Industrial concern for the purpose of which the said loan is hereby granted any profits (or declare or distribute dividends) in excess of such percentage rate upon the amount of the capital of the Industrial concern as may be determined by the Director of Industries, Himachal Pradesh, in each case so long as any part of the loan or State Aid remains unpaid or this deed remains in force;

(vi) if the Mortgagor shall make default in compliance with any of the terms or conditions of this deed or in the payment of the loan hereby granted and the moneys hereby secured or any part thereof together with any interest that may be due thereon on the date or dates on which such moneys and such interest shall be payable, the said Director of Industries may himself issue notice under section 23 of the said Act and the moneys duly specified therein shall become immediately payable as if a money decree therefor had been passed by a Civil Court in the exercise of its ordinary original jurisdiction.

2. AND in further pursuance of the said agreement and for the considerations aforesaid the Mortgagor as beneficial owner doth hereby grant, convey and assign unto H.P. Administration:

(a) All the properties mentioned in the said Schedule 'I' and those delineated in the map or plan hereto annexed.

AND

(b) All the assets, present and to be hereafter required by the Mortgagor whether the said assets now or in future be in his own name or that of the

including book debts, stocks and stores, the premises and machinery whether existing or to be purchased with the aid of the loan hereby granted or with any portion thereof, and whether referred to in Schedule 'I' or not; to have and to hold the same unto and to the use of H.P. Administration his successors and assigns for every subject to the proviso for redemption hereinafter contained.

3. AND THIS INDENTURE further witnesseth that in further pursuance of the said agreement and as security for the said sum of Rs. and interest the surety as beneficial owner doth hereby grant, convey and assign unto Himachal Pradesh Administration ALL and SEVERAL the properties referred to in the said Schedule 'II' and those delineated in the map or plan hereto attached to have and to hold the same unto and to the use of Himachal Pradesh Administration its successors and assigns for ever subject to the proviso for redemption hereinafter contained, and the Surety doth further covenant that if the Mortgagor shall make default in the payment of the loan hereby granted and the moneys hereby secured or any part thereof or of any interest thereon, on the date or dates on which the same shall be or become payable then the whole of the said loan and interest whether added to the principal and itself being interest or not or such part as may then or thereafter be due and unpaid shall become due and payable by the sureties jointly and severally and Himachal Pradesh Administration shall be at liberty to recover the same from the Surety or from the property hereby mortgaged by sale thereof or by a notice under the Punjab State Aid to Industries Act, as modified and applied to Himachal Pradesh as Himachal Pradesh Administration may think fit and that whether Himachal Pradesh Administration shall have pursued all or any of its remedies against the Mortgagor or his property hereby mortgaged or not.

4. PROVIDED ALWAYS that when the hereinbefore mentioned covenants for payment shall have been satisfied and the principal sum together with all interest due thereon shall have been entirely paid, Himachal Pradesh Administration as mortgagee shall at the request and cost of the Mortgagor and Surety respectively reconvey the properties or remainder thereof as they respectively shall direct.

5. AND in further pursuance of the agreement and covenants referred to above, the Mortgagor and the Surety to hereby agree to insure the entire machinery and stock in the said and, if so required, all other properties hereinafter referred to, against fire to the full extent of the loan and that the policy of insurance shall be taken out in the joint name of the Mortgagor (or Surety) and the Himachal Pradesh Administration and that it shall be deposited with the Director of Industries, Himachal Pradesh. The Mortgagor or Surety shall pay all premiums and at his own cost renew the policy every year during the currency of the loan failing which Himachal Pradesh Administration may pay the same and add such premiums and all expenses with interest to the loan hereby secured.

6. It is further agreed by the Mortgagor and Surety that, notwithstanding anything hereinbefore contained, Himachal Pradesh Administration or the

Director of Industries, Himachal Pradesh, may by the appointment of its own Directors or otherwise exercise such control over the conduct of the industry to which State Aid has been given, as shall suffice in their or his opinion to safeguard the interest of Himachal Pradesh Administration in such industrial concern, and that the Mortgagor shall forthwith comply with all recommendations made by the Director of Industries or the Director so appointed.

7. It is further agreed that the stamp on this instrument shall be borne by and the same shall be presented for registration by and at the cost of the Mortgagor.

8. It is further agreed that until the entire amount is repaid with interest the Mortgagor will undertake free training of apprentices selected by the Director of Industries, Himachal Pradesh not exceeding three in number, at any one time, in the work carried on by the Mortgagor and that non-fulfilment of this condition shall be deemed default in compliance with this deed.

SCHEDULE No. I

(above referred to)

SCHEDULE No II

(above referred to)

IN WITNESS WHEREOF the parties have hereunto set their hands:

(a) (In the case of a firm):—

Signed by the above named firm of*
through..... partner of the said firm.

N.B.—The form of Execution by the Mortgagor or Surety should be one in the appropriate forms as follows:—

*Name or names of firm or partner thereof.

N.B.—The Department should be satisfied from a partnership deed or otherwise that the executant has full power as such to bind the firm and in this connection attention is called to section 58 (d) of the Indian Partnership Act, 1932. Failing such power in the partnership deed a special Power-of-Attorney should be demanded from absent partners in favour of the person signing, which should be retained with Himachal Pradesh Administration's copy of the lease.

In the presence of—

Signature
Occupation
Address
Signature
Occupation
Address.

(b) (In the case of a society):—

The seal of the..... (the society hereinbefore referred to) was hereunto affixed by virtue of a resolution of the Governing Committee No....., dated the..... day of..... 19 ..

In the presence of—

Member of the Governing Committee
Member of the Governing Committee
Member of the Governing Committee

(c) (In the case of company):—

The seal of the..... Company, Limited, was affixed by virtue of the resolution of the Board, No..... dated the..... day of..... 19 ..

In the presence of—

Director
Secretary

N.B.—In the case of either a society under Act XXI of 1860 or Himachal Pradesh Co-operative Societies Act, 1956 or a company incorporated under the Companies Act, the department should require a copy of the resolution above referred to certify correct (either by one of the members of the Governing Committee of the Society or by a Director or Secretary of the Company, as the case may be) authorising the particular executant or executants to sign or to affix the seal.

It is, however, not necessary for the persons mentioned above invariably to execute the instrument itself, and it is sometimes not convenient for them to do so in person as it involves all the officers in question appearing before the Sub-Registrar and bringing with them the seal of the Society or Company. If they so desire they may execute a special Power-of-Authority authorising any respectable person—preferably one of their own body—to do all things necessary for the single transaction, viz., “the completion of the instrument” which will be referred to in the preamble to such Power-of-Authority. In that case the Power-of-Authority will require to be executed on paper (stamped) at Rs. 2 and, though it need not be registered or authenticated by the Sub-Registrar, the Director of Industries may require the same to have been attested under section 85 of the Indian Evidence Act. Where the mortgage is executed by an Attorney it will be presented for registration by the Attorney.

Signature of Surety or Sureties.

Signed on behalf of the Lieutenant Governor of Himachal Pradesh, by
Director of Industries, Himachal Pradesh.

In the presence of—

Witnesses

{ 1.
2.

FORM ‘G’

(to be supplied to the Borrower when the preliminary conditions under which the loan is made have been decided on)

Form of Notice under section 23 and 27 of the Act

WHEREAS.....
was/were granted a loan of Rs..... under section 21 the Punjab State Aid to Industries Act, 1935 as modified and applied to Himachal Pradesh, and whereas the said..... executed a deed on the 19....., in which among other things, he/they covenanted to.....
.....
and whereas the said..... has/have failed to comply with this condition/these conditions (in consequence of which failure an order dated a declaration was made 19..... was passed directing the said under section 27 of the Act..... dated..... 19..... To pay which order he has not complied with/that the said loan was immediately repayable).

Now, thereof, I hereby give notice to the said to pay to me the sum of Rs..... on or before the..... 19....., in default of which a declaration will be issued under sub-section (1) of section 24 of the Act and that the said sum of Rs.....

is due and that the property described in the Schedule attached to the said deed is liable for the satisfaction of the said debt.

Signature of Officer.....

Date.....

FORM 'H'

Declaration under section 24 of the Act

WHEREAS a notice was served on..... on the.....
.....19....., under section 23 of the Punjab State Aid to Industries Act, 1935, as modified and applied to Himachal Pradesh calling upon the said..... to pay to me the sum of Rs.....
on or before the.....19....., and whereas the said sum has not been paid, I hereby declare that the sum of Rs..... is due from the said..... and that the property described in the attached Schedule is liable for the satisfaction of the said debt.

Signature of Officer.....

Date.....

Schedule—

Signature of Officer.....

Date.....

FORM 'I'

Form of Notice under section 39

WHEREAS.....

..... was assisted in the purchase of the machinery mentioned in the enclosed Schedule, on the hire-purchase system and

WHEREAS the said.....

..... paid percentage of the price, leaving balance of Rs.
..... and agreed to pay this balance by.....
and,

WHEREAS the said..... failed to comply with this/these condition(s) by not having paid..... in consequence of which failure the entire balance of the price amounting to Rs..... and interest thereon, is immediately repayable.

Now, therefore, I hereby give notice to the said..... to pay me the sum of Rs....., within 16 days from this notice in default of which the hiring shall be terminated and the machinery mentioned in the Schedule shall be seized and disposed of in such manner as I may consider reasonable.

Date.....

Schedule—

Director of Industries,
Himachal Pradesh.

FORM 'J'

This Agreement made on the..... day of.....19....
BETWEEN:

(a) The Ltd; a Company incorporated in India and registered under the Companies Act, 1956, with registered office at.....

(b) a Society registered under Act XXI of 1880, with principal place of business at.....
 (c) (1)..... son of.....
 (2)..... son of.....
 (3)..... son of.....
 residing at..... and himself constituting the sale or only-proprietor/being all the partners of the..... carrying on business at..... in the name and style of..... hereinafter on behalf of himself/themselves, its, his/their heirs, legal representatives, assignees, jointly and severally referred to as THE PRINCIPAL of the first part.

AND SECONDLY—

(1)..... son of..... residing at.....
 (2)..... son of..... residing at.....
 (3)..... son of..... residing at.....
 hereinafter on behalf of themselves, their heirs, legal representative and assignees, hereinafter referred to as SURETIES of the second part.

AND THIRDLY, the President of India through the Director of Industries, H.P. (hereinafter referred to as H. P. Administration) of the third part.

WHEREAS the Principal has applied under section 17 of the Punjab State Aid to Industries Act, 1935, as modified and applied to the Union Territory of H. P. to the Director of Industries, Himachal Pradesh for a loan of Rs..... for the purpose of..... and Sarvshri..... have agreed in accordance with rule 6 of the rules made under section 46; of the Punjab State Aid to Industries Act, 1935, as modified and applied to the Union Territory of H. P. to stand as sureties for the repayment of the said loan.

AND the Director of Industries, Himachal Pradesh has accordingly agreed to grant the said loan to the Principal subject to the conditions hereinafter appearing.

NOW THIS AGREEMENT WITNESSETH THAT:

1. In pursuance of the said agreement and for purpose of in part securing the said sum of Rs..... (the receipt whereof the Principal hereby acknowledges) the Principal hereby covenants with the H. P. Administration to pay to H. P. Administration before the..... day of..... 19, the said sum of Rs..... with interest thereon at the rate of Rs..... per cent per annum and for so long as any part thereof shall remain owing, to pay interest at the rate aforesaid on the moneys for the time being so remaining owing, provided nevertheless that;

(i) if the Principal shall pay the said sum of Rs..... by the following instalments:—

First instalment of—

Rs..... on the..... day of..... 19

Second instalment of—

Rs..... on the..... day of..... 19

Third instalment of—

Rs..... on the..... day of..... 19

Fourth instalment of—

Rs..... on the..... day of..... 19

Fifth instalment of—

Rs..... on the..... day of..... 19

Sixth instalment of—

Rs. on the day of 19

Until the whole sum due shall be paid and shall with each such instalment pay interest at the rate of aforesaid on the amounts remaining due immediately before such payment, then subject to the terms and conditions hereinafter contained, Himachal Pradesh Administration will accept payment of the said sum of Rs. by such instalments and will not take any steps to obtain payment of the said sum of Rs.

- (ii) it shall be lawful for the Director of Industries, Himachal Pradesh at his sole discretion and at the request of the Principal to extend this date by a period not exceeding five years without reference to the Sureties;
- (iii) that it shall be lawful for the Principal at any time to repay the whole or any portion of the said loan exceeding the instalments referred to above prior to the said due date or prior to the end of the extended period (if so granted);
- (iv) the said loan is made under and shall remain in any case subject to the provisions of the Punjab State Aid to Industries Act, 1935 as modified and applied to H. P. and any rules made or to be made thereunder;
- (v) the principal shall not except with the approval of the said Director of Industries, previously obtained, withdraw from the Industrial concern for the purpose of which the said loan is hereby granted any profits (or declare or distribute dividends) in excess of such percentage rate upon the amount of the capital of the industrial concern as may be determined by the Director of Industries, Himachal Pradesh, in each case so long as any part of the loan or State Aid remains unpaid or this agreement remains in force;
- (vi) if the Principal shall make default in compliance with any of the terms or conditions of this agreement or in the payment of the loan hereby granted or any part thereof together with any interest that may be due thereon and the date or dates on which such moneys and such interest shall be payable the said Director of Industries may himself issue a notice under section 23 of the said Act and the moneys duly specified therein shall become immediately payable as if a money decree therefor had been passed by Civil Court in the exercise of its ordinary original jurisdiction.

2. AND THIS agreement further witnesseth that in further pursuance of the said agreement and as security for the said sum of Rs. and interest the sureties doth hereby agree that if the principal shall make default in the payment of the loan hereby granted or any part thereof or of any interest thereon on the date or dates on which the same shall be or become payable then the whole of the said loan and interest whether added to the principal and itself being interest or not/or such part as may then or thereafter be due and unpaid shall become due and payable by the sureties jointly and severally and H. P. Administration shall be at liberty to recover the same from the sureties by a notice under the Punjab State Aid to Industries Act, 1935, as modified and applied to Himachal Pradesh, may think fit.

3. It is further agreed by the Principal and sureties that notwithstanding anything hereinbefore contained, the Director of Industries, Himachal Pradesh, may by the appointment of its own Directors or otherwise exercise such control over the conduct of the industries to which State Aid has been given, as shall suffice in his opinion to safeguard the interests of Himachal Pradesh Administration in such industrial concern and that the Principal shall forthwith comply

with all recommendations made by the Director of Industries or the Director so appointed.

4. It is further agreed that the stamp on this instrument shall be borne by the Principal.

5. It is further agreed that until the entire amount is repaid with interest the principal will undertake free training of apprentices selected by the Director of Industries, Himachal Pradesh, not exceeding three in number, at any one time, in the work carried on by the Principal and that non-fulfilment of this condition shall be deemed a default in compliance with this deed.

IN WITNESS WHEREOF the parties have hereunto set their hands in the Year of the Republic of India:

(a) (In the case of a firm)—

Signed by the above-named firm of

N.B.—The form of execution by the Principal or sureties should be one in the appropriate form as follows:—

N.B.—The Department should be satisfied from a partnership deed or otherwise that the executant has full power as such to bind the firm and in this connection attention is called to section 58 (d) of the Indian Partnership Act, 1932. Failing such power in the partnership deed a special power-of-attorney should be demanded from absent partners in favour of the persons signing, which should be retained with Himachal Pradesh Administration's copy of the agreement.

In the presence of—

Signature
Occupation
Address
Signature
Occupation
Address

(b) (In the case of a Society)—

The seal of the..... (the Society hereinafter referred to) was hereunto affixed by virtue of a resolution of the Governing Committee No..... dated the..... day of.....

In the presence of—

Member of the Governing Committee
Member of the Governing Committee
Member of the Governing Committee

(c) (In the case of a company)—

The seal of the..... Company, Limited, was affixed by virtue of the resolution of the Board No..... dated the..... day of..... 19 ..

In the presence of—

Director
Director
Secretary

N.B.—In the case of either a Society under Act XXI of 1880 or Himachal Pradesh Co-operative Societies Act, 1956 or a Company incorporated under the Companies Act, the Department should require a copy of their resolution above referred to certify correct (either by one of the member of the Governing Committee of the Society or by a Director or Secretary of the Company, as the case may be) authorising the particular executant or executants to sign or to affix the seal. It is, however, not necessary for the persons mentioned above invariably to execute the instrument itself and it is sometimes not convenient for them to do so in person as it involves all the officers in question appearing before the Sub-Registrar and bringing with them the seal of the Society or Company. If they so desire

they may execute a special power-of-attorney authorising any respectable person—preferably one of their own body—to do all things necessary for the single transaction, viz; “the completion of the instrument” which will be preferred to in the preamble to such power-of-attorney. In that case the power-of-attorney will require to be executed on papers stamped at Rs. 2 and though it need not be registered or authenticated by the Sub-Registrar;

The Director of Industries may require the same to have been attested under section 85 of the Evidence Act.

In the presence of—

WITNESSES

- | | | |
|---|----|---|
| { | 1. | <i>Signatures of the Sureties</i>
Signed for and on behalf of the
Lieutenant Governor, Himachal
Pradesh. |
| | 2. | Director of Industries, Himachal
Pradesh. |

FORM 'K'

This Agreement made on the..... day of.....19..
 BETWEEN:—

..... a Society registered under the Himachal Pradesh Co-operative Societies Act, 1956, with principal place of business at..... (hereinafter referred to as the Society which expression shall, where the context so admits, include its successor, and assigns) of the first part.

AND secondly the Lieutenant Governor, Himachal Pradesh, through the Director of Industries, Himachal Pradesh/District Industries Officer..... (hereinafter referred to as Himachal Pradesh Administration) of the second part:

WHEREAS the society has applied under section 17 of the Punjab State Aid to Industries Act, 1935, as modified and applied to Union Territory of Himachal Pradesh, to the Director of Industries, Himachal Pradesh/District Industries Officer..... for a loan of Rs..... for the purpose of.....

AND whereas the Society has been established with the objects of facilitating the operation of..... industry and whereas the total amount of liability of the members of the Society in accordance with the bye-laws of the Society or rules made under the Himachal Pradesh Co-operative Societies Act, 1956, is not less than twice the amount of loan applied for.

AND whereas the Director of Industries, Himachal Pradesh/District Industries Officer..... has accordingly agreed to grant a loan of Rs..... to be utilised for..... to the Society subject to the conditions hereinafter appearing.

NOW THIS AGREEMENT WITNESSETH THAT:

1. In pursuance of the said agreement for purpose of in part securing the said sum of Rs..... (the receipt whereof the Principal hereby acknowledges) the Society hereby covenants with the Himachal Pradesh Administration to pay to H.P. Administration before the..... day of....., 19.., the said sum of Rs..... with interest thereon at the rate of Rs..... per cent per annum and for so long as any part thereof shall remain owing, to pay interest at the rate aforesaid on the moneys for the time being so remaining owing provided nevertheless that:—

(i) if the Society shall pay the said sum of Rs..... by the

following instalments:—

First instalment of—

Rs. on the day of , 19

Second instalment of—

Rs. on the day of , 19

Third instalment of—

Rs. on the day of , 19

Fourth instalment of—

Rs. on the day of , 19

fifth instalment of—

Rs. on the day of , 19

Sixth instalment of—

Rs. on the day of , 19

and shall with each such instalment pay interest at the rate aforesaid on the amount remaining due immediately before such payment, then subject to the terms and conditions hereinafter contained. Himachal Pradesh Administration will accept payments of the said sum of Rs. by such instalments and will not take any steps to enforce its payment;

(ii) it shall be lawful for the Director of Industries, Himachal Pradesh, at his sole discretion and at the request of the Society to extend this date by a period not exceeding five years, provided that the maximum period of repayment of the entire loan and interest shall not on the whole exceed ten years;

(iii) that it shall be lawful for the Society at any time to repay the whole or any portion of the said loan exceeding the instalments referred to above prior to the said due date or prior to the end of the extended period (if granted);

(iv) the said loan is made under and shall remain in any case subject to the provisions of the Punjab State Aid to Industries Act, 1935, as modified and applied to the Union Territory of Himachal Pradesh and any rules made or to be made thereunder;

(v) the Society shall not except with the approval of the said Director of Industries, Himachal Pradesh, previously obtained, withdraw from the Industrial concern for the purpose of which the said loan is hereby granted, any profit (or declare or distribute dividends) in excess of such percentage rate upon the amount of the capital of the industrial concern as may be determined by the Director of Industries, Himachal Pradesh, in each case so long as any part of the loan or State Aid remains unpaid or this agreement remains in force;

(vi) if the Society shall make default in complying with any of the terms or conditions of this agreement or in the payment of the loan hereby granted or any part thereof together with any interest that may be due thereon on the date or dates on which such moneys and such interest shall be payable, the said Director of Industries, may himself issue a notice under section 23 of the said Act and the moneys duly specified therein shall become immediately payable as if a money decree therefor had been passed by a Civil Court in the exercise of its ordinary original jurisdiction.

2. It is further agreed by the Society that notwithstanding anything hereinbefore contained, the Director of Industries, Himachal Pradesh, may by the appointment of its own Directors or otherwise exercise such control over the conduct of the industry to which State Aid has been given, as shall suffice in his

opinion to safeguard the interest of Himachal Pradesh Administration in such industrial concern and that the Society shall forthwith comply with all recommendations made by the Director of Industries, or the Director so appointed.

3. It is further agreed that the stamp on this instrument shall be borne by the Society.

4. It is further agreed that until the entire amount of loan is repaid with interest, the Society will undertake free training of apprentices selected by the Director of Industries, Himachal Pradesh, not exceeding three in number, at any one time, the work carried on by the Principal and that non-fulfilment of this condition shall be deemed a default in compliance with this deed.

IN WITNESS WHEREOF the parties have hereunto set their hands in the..... Year of the Republic of India.

Signed for and on behalf of the above-named Society.

The seal of the..... (the Society hereinbefore referred to) was hereunto affixed by virtue of a resolution of the Managing Committee No..... dated the..... day of.....

In the presence of:

Member of the Managing Committee

Member of the Managing Committee

Member of the Managing Committee

In the presence of:—

WITNESSES { 1.
2.

Signed for and on behalf of
the Lieutenant Governor,
Himachal Pradesh, by
Director of Industries,
Himachal Pradesh.

By order,
RAJ KUMAR, I.A.S.,
Secretary.